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November 19, 2003

VIA E-MAIL AND US MAIL

Ms. Carol Sureau
Deputy Commissioner for Legal Affairs
Office of the Insurance Commissioner
State of Washington
P.O. Box 40255
Olympia, WA 98504-0255

Re: The Commissioner's Nineteenth Order

Dear Ms. Sureau:

The Commissioner's Nineteenth Order requires Premera to file by close of business on November 20th one electronic version and 3 hard copies of the OIC Staff's expert reports redacted in accordance with the Special Master's order. The Nineteenth Order also gives Premera until close of business today to file its objections to the Special Master's order dated November 17, 2003 on the redactions.

1. Judge Finkle's order on redactions

In regard to the substance of Judge Finkle's order, we want to advise you of the following points. Where Judge Finkle's order to disclose is clear, we do not intend to appeal his order and will work diligently to perform the redactions so that the OIC Staff's expert reports can be filed with you tomorrow consistent with the Nineteenth Order.

However, in five instances, we believe that Judge Finkle's order requires clarification. That is, he sustains redaction of certain information in some sections of the OIC Staff expert reports but orders disclosure of the same information in others sections. Judge Finkle himself anticipated that there might be some instances requiring clarification. In a telephone conference call on November 17 with Premera representatives and Ms. De Leon regarding a deposition privilege issue, Judge Finkle offered that the parties may want to seek clarification of matters contained in his order.

While limited in number, the five redactions that we are concerned about are of significance. Pending clarification of Judge Finkle's ruling on these items, Premera is assuming that the redactions of those items is appropriate, that is, that Judge Finkle intended to sustain Premera's redactions. By copy of this letter to Judge Finkle, we are asking that he review as soon as possible the five items and that he clarify that he was intending to sustain Premera's redactions on those items. We will send Judge Finkle a letter setting forth those five items. Until such time as Judge Finkle is able to clarify his ruling, Premera hereby reserves its right to appeal his ultimate decision regarding those five items.

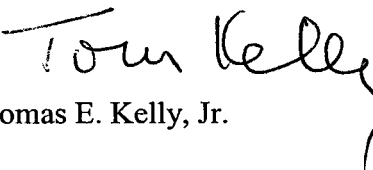
2. Premera's expert reports and the posting of reports

Premera recognizes and supports the goal of making the expert reports available to the public as soon as possible. We expect that, when the OIC Staff's expert reports are placed on the OIC website, or otherwise published by the OIC, you will simultaneously put on the OIC website and publish Premera's expert reports as well, so that the public will have both sets at the same time. We will provide to you tomorrow Premera's redacted expert reports in electronic form for website posting. As Judge Finkle's ruling on proposed redactions to Premera's reports is still pending, that posting may need to be supplemented if the scope of redactions changes.

Premera is planning on posting its expert reports and the OIC Staff's expert reports on Premera's website as well. We want to respect coordinated timing of placing the reports on the websites. We therefore would appreciate advance notice (but at least 4 hours) of OIC posting, so that we can post immediately after the OIC posting.

Very truly yours,

PRESTON GATES & ELLIS LLP

By 
Thomas E. Kelly, Jr.

TEK:tek

cc: The Honorable Mike Kreidler
Judge George Finkle
Melanie deLeon
Amy McCullough
Rick Spoonemore

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Mike Madden
Jeff Coopersmith

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